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# PROPOSALS FOR THE ESTABLISHMENT OF AN AFRICAN REGIONAL TRADE INFORMATION SYSTEM

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# I. INTRODUCTION[1/]

From the perspective of trade, Africa is recognizably one of the most dependent continents of the world. Even more striking is that more than three quarters of its total trade is geared towards the markets of developed economy countries. In the past two decades, this trend has increased significantly, leading to a decline in the percentage share of intra-African trade. ECA studies have persistently pointed out this alarming situation.

The development and expansion of intra-African trade are replete with problems: major constraints affecting growth centre around lack and poor dissemination of information on trade, trade regulations, supply and demand situations and prices in individual African countries.

On several occasions, ECA member States have recognized that trade is a major instrument for promoting economic co-operation among countries of the region; to this end, they have asked the Commission in Resolution 244(XI) to intensify efforts toward expansion of intra-African trade through facilitation of exchange of relevant up-to-date trade information and commercial expertise between African countries. The Lagos Plan of Action itself gives special attention to the development of intra-African trade and finance as a means of achieving self-sustaining growth and collective self-reliance in the socio-economic development of African countries.

Today many African countries have Trade Information centres or offices attached to Trade Ministries or Trade Promotion Organizations. However, in spite of their concern about the free flow and exchange of information among themselves, there is no doubt that businessmen in most African countries are not generally aware of the trade regulations, supply and demand situations, prices, addresses of Trade Promotion Offices, Chambers of Commerce and of importers/exporters, etc., in other countries within the region.

The need for free flow and exchange of information on trade opportunities in Africa has long been felt by ECA as one of its responsibilities. It is against this background and as a means, among others, to assist in filling this trade information gap as well as to strengthen and complement the efforts of individual member States in the development of national trade information offices that a Pan African Trade and Finance Network (PATFIN) will be established with a central unit located at ECA. TIS will not only serve as a regional focal point for all member States of the Economic Commission for Africa but will also become a point-of-call for anyone wishing to establish trade links with Africa.

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1/ This paper was revised in the light of the recommendations of the third Ministerial follow-up Committee Meeting on Trade and Finance held in Addis Ababa from 7 to 11 May 1984 which requested the Secretariat to scale down the proposed budget. The budget was subsequently considered and from the initial amount of 1,121.442 US dollars it was reduced to 638,912.26 US dollars. The proposals made in the initial paper were also edited and translated into a formal project document which constitutes the second part of the present paper.

Pan-African Trade and Finance Network and its central unit within the ECA International Trade and Finance Division will facilitate contacts between existing and potential exporters and importers and provide systematic collection and dissemination of trade information with a view to promoting intra-African trade. It will work in close collaboration with the Pan-African Documentation Information System (PADIS).

## II. GENERAL BACKGROUND

The majority of member States of the United Nations Economic Commission for Africa (ECA) operate national Trade Information Services (TIS) at varying stages of development.

However, due to limited financial and manpower resources, most of these TIS' fall short of reaching an adequate scale of operation to ensure sustained and effective inflow and outflow of trade information to their trading communities in a systematic manner. It is also to be noted that in the foreseeable future, the tools and instruments required for the application of modern trade information techniques will remain far beyond the individual resources and capabilities of the majority of ECA member States. Finally, it is recognized that lack of adequate trade information is one of the factors which has significantly hampered the development of intra-African trade and of trade with third countries.

In 1980, the Pan-African Documentation and Information System (PADIS) was created under the aegies of ECA headquarters in Addis Ababa. Its final structure will be co-ordinated network of collaborating national and subregional information systems or participating centres within the African continent. The PADIS system will also establish effective linkages with international information networks and data bases situated outside Africa, thus enabling it to serve a large part of the total information needs of the continent.

Concerned both with numerical and non numerical information, PADIS is a decentralized multidesciplinary system designed to serve the increasing information needs in support of development activities in Africa. PADIS is based on the guideline, principles and recommendations established by international organizations in the information and documentation field.

The main objective of PADIS is to provide ready access to information required by policy makers, technicians, planners and other engaged in the economic and social development of African States. A rational approach to development cannot be successfully formulated unless all relevant information is fully considered during the planning and programming stages, and accurate knowledge of the past as well as reliable projections are used to form the basis for the future course of action.

EDP facilities (computer and software) available within PADIS and its decentralized units are tangible assets for the establishment of PATFIN.

## III. OBJECTIVES AND SCOPE OF THE PAN-AFRICAN TRADE AND FINANCE INFORMATION NETWORK (PATFIN)

Tf-Africa is created under the responsibility of the International Trade and Finance Division and its focal unit for trade information, the Africa Trade Centre of the United Nations Economic Commission for Africa. Its final structure will be a network of collaborating national and subregional information systems or participating centres within the African continent.

The Pan-African Trade and Finance Information Network (PATFIN) will be predominatly engaged in the processing, dissemination and evaluation of Trade and Finance Information. It should obtain up-to-date information about situations and research activities in the Trade and Finance field.

It will provide services including replies to inquiries and referral to other information sources and to retrospective bibliographic searches. Through analysis of past and maintenance of current inquiry records, it should build-up its information resources anticipating future ones. Where it cannot meet inquiries from its own resources, it should be able to direct inquiries to appropriate individuals or institutions.

One of its chief functions will be the identification of trade and finance information sources in the region, particularly in those areas where no subregional or national resources centres are as yet established. Formalized channels of communication and information exchange should be established by the internal trade and finance information officers with the MULPOC's at subregional level as well as with the subregional organizations' Trade Information Units and the Central Co-ordination Unit established at the regional level for the African continent.

The main development objective is, therefore, to contribute to the development of foreign trade and, in particular, of intra-African trade among the developing countries of Africa through the strengthening of national, subregional and regional trade information services.

The project intends to support the economic and social development of the African continent in the following main directions:

(a) to enhance the awareness of countries of the region of the importance of trade information in promoting foreign trade;

(b) to advise member countries on the organization and operation of their trade information services;

(c) to help develop information and documentation skills in the information services of the region;

(d) to enable regional and subregional trade information services to provide up-to-date trade information as well as advisory and training assistance in the field of trade information to member countries.

In order to achieve these development objectives, the project will establish permanent co-operative links with the Pan-African Documentation and Information System (PADIS) and will create in the framework of the International Trade and Finance Division of UN ECA, a Central Co-ordination Unit acting as a Pan-African Information Centre for International Trade and Finance (PATFIC Pan-African Trade and Finance Information Centre).

This centre will act as a sectoral specialized regional co-ordination unit concerning African trade and finance and will collaborate with the PADIS Central Co-ordination Office for the Implementation of the PADIS system at regional, subregional and national levels.

Efforts will be directed towards setting up plans for the use of the PADIS decentralized information retrieval system in order to facilitate immediate diffusion to ECA member countries of African trade and finance information available either in Africa or obtained by remote interrogation of data bases accessible outside Africa such as the UNCTAD/GATT data bases in co-operation with Trade Information Institutions outside the continent.

The final objectives of the project are to build a well functioning resources data base of trade and finance information for the African continent and to act as a Clearing House for the entire continent.

## IV. OPERATIONS OF TIS

The TIS will in the short term concentrate on the following objectives:

(a) Organization of a core collection of documents concerning trade and finance information as a basis for the establishment of an African trade and finance clearing house;

(b) Expansion and completion of the core collection, in collaboration with competent African institutes and information systems in order to create an exhaustive collection (clearing house) of trade and finance information documents;

(c) Creation of a document analysis unit for analysis of the documents collected;

(d) Establishment of a microscopy collection of the Trade and Finance Clearing House documents on form of standard microfiches, to facilitate original (primary) document exchange and distribution;

(e) By means of the MINISIS on-line information input processor provided by PADIS, creation of a document reference file containing the description of the documents collected (the TF-Africa file); this file will be stored in the computer system of PADIS/CCO and will be made available to all the participating governments, free of charge, as one of the PADIS-CCO files;

(f) Creation of a question/answer service for the African users to function as a well-organized resource of trade and finance information for the African continent by using the MINISIS on-line query processor provided by the PADIS system and available at PADIS/CCO;

(g) Preparation and publication of periodical printed indexes concerning bibliographical citations and abstracts of trade and finance information documents (DEVINDEX-Africa);

(h) Contribution to the data preparation of the PADIS system for project monitoring and control (PADIS-PROM) for information cenerning trade and finance projects, on-going research and know-how in the African continent, by using the PADIS-PROM data preparation worksheet and manual;

(i) Collection of information, compilation and publication of directories of experts in the trade and finance field;

(j) Reporting on data and programmes through newsletters, information brochures, journals and other media;

(k) Acting as a distribution agency for publications on trade and finance information to the African region;

(l) Evaluation of the impact of trade and finance information on policy making for socio-economic development of the African continent;

(m) Collaboration with PADIS/CCO for the design of the trade and finance element of the Pan-African numerical data bank envisaged as PADIS-STAT component of the PADIS system (PADIS-STAT/TFA, the African trade and finance data bank) and including a general commodities data bank of African products and resources;

(n) Distribution of computer magnetic tapes containing TF-Africa information to those African national and subregional trade promotion centres, already equipped with computerized facilities.

During the first implementation phase of the TIS, particular attention will be paid to the following points:

- To introduce and explain in detail to African governments, through their relevant ministries and/or trade promotion agencies, and to relevant regional and subregional organizations, the objectives, activities and expected outputs of the project;

- To seek the views, official support and commitment of these governments and institutions towards the development of an African Trade Information System taking into account existing national, subregional and regional information systems in Africa;

- To assist member States in their efforts to create the National Information and Documentation Centre (NIDC) as foreseen in the framework of the PAFIS Programme (1980-89) in order to strengthen NIDC and National Trade Promotion Centre competence in the field of African international trade and finance

- To conduct fact-finding missions to Trade and Finance Information Centres inside and outside Africa with a view to benefit from their experiences for the smooth establishment and running of PATFIN.

The TIS also provides for:

(a) Special attention to the needs and developmental priorities of the least developed and the newly independent countries of the African region. To this effect, project activities were formulated so as to take into account the difficulties encountered by these countries.

(b) Promotion of technical and economic co-operation among African countries and between Africa and other developing regions, in fulfilment of one of the global economic goals set by the Governing Council of the United Nations Development Programme.

Since the users whom the system will be designed to serve are primarily business and government decision makers and researchers in fields related to trade and finance, the future expansion of PATFIN will be dependent for input on national information systems and networks. There is no doubt that such systems will come into being, and because they will be compatible the project will be able to relinquish to them trade and finance related information in their particular fields. For the present, however all types of trade and finance related information will go into the TF-Africa data base to provide the comprehensive coverage which will ensure services to all groups of business operators, development researchers and implementors.

## V. ADVANTAGES OF TIS

There is no doubt that reliable and up-to-date trade information is required to determine a country's export and import priorities. To this end, African countries are making efforts to build up and develop their national trade promotion services. The degree of development of these trade promotion machineries, however, differs from one country to another. Moreover, due to inadequate financial and manpower resources, some of the trade promotion services fall short of attaining an adequate scale of operation to ensure sustained and effective inflow and outflow of trade information to their trading communities in a systematic and continuing manner.

Accordingly, it is hoped that a Pan African Trade and Finance Information Network and a regional centre such as the one proposed for establishment in the Economic Commission for Africa will be a key element in strengthening and complementing the efforts of individual member States to develop national Trade Information Services. The TIS will also serve as a central information source for both exporters and importers of goods and services in Africa. It will assist in the development of contacts between buyers and sellers with a view to expanding their foreign trade.

The outputs of the Information System for African Trade and Finance will be the following:

(i) Creation, updating, revision and general maintenance of the TF-Africa bibliographical data base in three languages, French, English and Arabic, according to UNISIST-TSC guidelines and using PADIS input sheets for data entry;

(ii) Production of TF INDEX-AFRICA containing abstracts and indexes by author, country, subject, report number and organization, produced quarterly;

(iii) Interrogation of TF-Africa and PADIS-PROM files by using on-line information retrieval software for preparation of Retrospective Bibliographies (RB) current awareness profiles or selective Dissemination of Information (SDI);

(iv) Integration of the PADIS statistical data base (PADIS-STAT) with on-line information retrieval software completed by statistical software packages in order to obtain trade and finance numerical data display outputs in a form that can immediately be utilize by the users;

(v) Hard copies supply service in form of microfiches, photocopies of original documents and digitalized facisimile dispatched by data transmission network;

(vi) Use of high speed print capability with upper and lower case for production of:

(a) DEVINDEX-Africa

(b) various bibliographies and lists created by file sorting processes.

(vii) Production of machine-readable outputs on magnetic tape containing all newly-added records on a monthly, quarterly and annual basis for those national centres equipped with a computerized facility and concerning the TF-Africa file

(ix) Assistance to member countries for the establishment of mechanisms for receiving on continental and international bases trade and finance information including documents relating to internationally-assisted programmes. These usually appear in the form of feasibility studies, mission reports, project proposals, evaluation reports or surveys and are produced by a multitude of United Nations agencies and other national and international organizations and foundations.

(x) Use of remote interrogation terminals at the National Information and Documentation Centres allowing on-line interrogation of the PADIS and PATFIN national, subregional and regional data bases, as well as information retrieval networks external to the African continent through the envisaged PADIS Network for system interconnections.

## VI. SUMMARY OF CONCLUSIONS

It has been emphasized that exporters in Africa lack special facilities such as Trade Information Services which constitutes one of the main problems. In addition, undeveloped transport and communication facilities, distances, languages and cultures separate African business communities and hinder entry to promising markets, even if these markets are in geographical proximity. The provision of a Trade Information Service is, therefore, a vital and necessary factor in order to assist in the development and expansion of African trade in general and intra-African trade in particular.